

**SOURCE SELECTION STATEMENT**  
**FOR**  
**EXPENDABLE LAUNCH VEHICLE INTEGRATED SUPPORT CONTRACT**

On May 17, 2002, I, as the designated Source Selection Authority (SSA), along with other senior officials of the John F. Kennedy Space Center (KSC), met with the Source Evaluation Board (SEB) appointed to evaluate proposals for award of the Expendable Launch Vehicle Integrated Support (ELVIS) contract at KSC.

**PROCUREMENT DESCRIPTION**

The objective of the ELVIS procurement is to obtain integrated services in support of the NASA Expendable Launch Vehicle (ELV) Program Office at the Kennedy Space Center. The NASA ELV Program mission is to provide launch service excellence, expertise, and leadership to assure mission success for every customer. This contract will ensure the ELV Program has support services that are safe, reliable, and affordable in the areas of business; administration, safety and mission assurance, engineering, technical, and facility/launch operations. These services will be provided at the Kennedy Space Center (KSC), Cape Canaveral Air Force Station (CCAFS), Vandenberg Air Force Base (VAFB), and other launch sites and Launch Service Provider (LSP) facilities. This contract has a three year and three month basic period with two three year options plus a 30 day phase-in period.

The purpose of this procurement is to select a contractor to provide the integrated services necessary to support the ELV Program Office. The ELVIS contractor will be required to provide these services in accordance with a performance-based Statement of Work (SOW), including any contractually binding enhancements to the SOW present in the offeror's Final Proposal Revision (FPR). The ELVIS contractor will implement a safety, health, and mission assurance program that provides a safe and healthy work environment, minimizes program risk, and maximizes mission success. The contractor will also provide the management, integration, technical, business and administrative functions required for accomplishing the contract requirements set forth therein. The contractor will perform the above responsibilities in the most cost-effective and efficient manner possible while supporting NASA's top priorities of safety and health, mission success, and payload developer/customer satisfaction.

Specifically, this contract will require the contractor to provide safety and mission assurance support to the ELV Program Office. In addition, the contractor will be required to provide technical integration and mission coordination support services. The contractor will implement telemetry and communications mission requirements and operate the telemetry and communications stations supporting ELV launches. The ELVIS contractor will also be responsible for providing operations support to the NASA/VAFB launch site. Finally, the contractor will provide engineering services to support NASA's oversight

requirements for LSPs and payload customers and to satisfy mission integration and analysis requirements. NASA has conducted the acquisition of these integrated support services using the source selection procedures in accordance with Federal Acquisition Regulation (FAR) Part 15, "Contracting by Negotiations", as supplemented by NASA FAR Supplement (NFS), Part 1815, same subject.

On June 20, 2000, the KSC Director of Procurement established a Procurement Development Team (PDT) to develop a draft Request for Proposals (RFP) for the integrated support services described above. The PDT initially issued a Cost-Plus Award Fee draft RFP to industry on March 26, 2001, but subsequently revised it to make portions of the work Fixed Price. The revised version was released on July 1, 2001. On August 2, 2001, the PDT held a pre-solicitation conference attended by 23 interested firms. After industry comments were reviewed and incorporated, a final Fixed Price Award Fee/ Cost-Plus Award Fee hybrid RFP was released on September 24, 2001. The SEB was also appointed at this time by the Source Selection Authority (SSA). The purpose of the SEB was to evaluate proposals received in response to the ELVIS contract solicitation. Six amendments to the solicitation were issued by the Contracting Officer to provide answers to written questions submitted, and for other minor changes to the RFP.

Prior to issuing the ELVIS RFP, market research identified that adequate small business offerors had a capability to provide the required services. The procurement was conducted as a small business set aside under NAICS code 541710 with a small business size standard of 1000 employees.

Proposals were received on November 13, 2001, from five offerors who, with their major subcontractors and team members, were:

**Analex Corporation -- Brook Park, Ohio**

- Swales Aerospace, a.i. Solutions, SAIC

**Dynacs -- Palm Harbor, Florida**

- MCA Engineering, Veridian

**ERC Incorporated -- Huntsville, Alabama**

- Jacobs Sverdrup

**Integration Support Alliance (ISA) -- Cape Canaveral, Florida**

- United Paradyne Corporation, ITC Group, Inc, GRC International

**QSS Group, Inc.\* -- Lanham, Maryland**

- Space Mark International

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\* QSS was disqualified from the ELVIS procurement on January 24, 2002.

## EVALUATION PROCESS

The RFP prescribed three evaluation factors: Mission Suitability, Past Performance and Price/Cost. The Mission Suitability Factor was composed of the following subfactors: Management Approach, Technical Approach, and Safety and Health. The RFP contained explanations of the subfactors and specified their relative importance by assignment of numerical weights. In addition, as described in the RFP, the SEB evaluated but did not numerically score Price/Cost and Past Performance. The RFP provided the relative order of importance of the three factors as follows: All evaluation factors other than Price/Cost, when combined, are approximately equal to Price/Cost. The Past Performance Factor is less important than the Mission Suitability Factor.

For Past Performance, the SEB evaluated relevant information regarding the offeror's performance, including the performance of major subcontractors, under previously awarded contracts similar to the scope, size and complexity of this procurement. This past performance information was evaluated to assess the offeror's ability to perform the ELVIS contract successfully. Relevant performance included the accomplishment of work similar to that required under this procurement that occurred at least in part during the last three years immediately preceding the release of the RFP. The evaluation focused on Management/Contract performance and Technical performance.

For the Price/Cost factor, the evaluation focused on the validity, realism and adequacy of the cost proposal and the probable cost that will be incurred in performance of the Cost Reimbursable portions of the contract as well as the reasonableness of the proposed fixed prices for the Fixed Price portions of the contract. The SEB evaluated Price/Cost differences between the proposals and identified features that could cause one proposal to cost more or less than the other, including proposal risk areas. A level of cost confidence adjective was assigned to the most probable cost for each proposal.

In addition to evaluation of the factors and subfactors identified above, the SEB ensured all solicitation requirements established by the RFP were met. As part of the evaluation process, the SEB undertook an analysis of the offeror's administrative data, which is comprised of financial capability to perform a contract of this magnitude, model contract, (e.g., acceptance of contract terms and conditions, and representations and certifications), and Equal Employment Opportunity pre-award clearance.

The SEB conducted the initial evaluation based on the RFP-specified evaluation criteria, in accordance with the Government's evaluation plan. The SEB utilized evaluators in appropriate disciplines to provide specific expertise needed in the evaluation process. The SEB evaluators were assigned to evaluate their specific areas of expertise and provide findings, or requests for clarifications, back to the SEB. Using the analyses of these evaluators, the predetermined evaluation criteria, and their own findings, the SEB developed and assessed the strengths and weaknesses, and rated and scored each proposal. This produced the initial ranking of proposals for Mission Suitability, a probable cost

assessment, an adjectival rating for the past performance area, and the determination of those in the competitive range.

In accordance with FAR 15.306, the SEB determined that two of the four offerors that submitted initial proposals were within the competitive range: Analex Corporation and ERC Incorporated. The SEB conducted oral and written discussions with these offerors. These discussions concluded on April 4, 2002. During discussions, the Contracting Officer advised each offeror of the deficiencies and weaknesses, including uncertainties requiring clarification, in their proposal with respect to the Government's requirements. Offerors were also advised of any adverse past performance information obtained from references on which the offeror had not commented on in their proposal. Offerors were given seven days to finalize and submit proposal revisions based on the discussions. Final Proposal Revisions, including a signed contract document for each offeror, were received on April 10, 2002. Following the same procedure as before, the SEB completed its evaluation of all factors, made its final ranking of the proposals for Mission Suitability, developed probable cost and assessed price reasonableness for each proposal, and reported its findings to the SSA.

## **1. MISSION SUITABILITY**

The Mission Suitability Factor consists of three subfactors: Management Approach, Technical Approach, and Safety and Health. The SEB evaluated the Mission Suitability Approach by identifying significant and other strengths and weaknesses for each of the subfactors. Evaluation focused on the offeror's demonstrated understanding of the requirements, the offeror's proposed technical and management approaches to meeting the requirements, and the offeror's ability to perform as proposed. The Government used the adjective ratings, definitions, and percentile ranges in accordance with NFS 1815.305(a)(3)(A) to evaluate the Mission Suitability subfactors and the total Mission Suitability factor. Proposal risk associated with cost, schedule, and performance of technical aspects of the proposal was evaluated and considered in determining the numerical and adjective ratings and the strengths and weaknesses. The evaluation of risk considered the probability of success, impact of failure, and alternatives available to meet the requirements.

The SEB used the following definitions of significant strengths and weaknesses:

- Significant Strength is an aspect that appreciably increases the confidence of successful contract performance.
- Significant Weakness, as defined in FAR 15.001, is a flaw in the proposal that appreciably increases the risk of unsuccessful contract performance.

Consistent with the RFP evaluation criteria, the SEB weighed and scored the Mission Suitability factor on a 1000-point scale. The weights (points) associated with each Mission Suitability subfactor were as follows:

•	(Subfactor-1)	Management Approach	350
•	(Subfactor-2)	Technical Approach	550
•	(Subfactor-3)	Safety And Health	100
•	<u>TOTAL MISSION SUITABILITY FACTOR</u>		1000

The total Mission Suitability factor, and all subfactors, were evaluated using the adjectival rating, definitions and percentile ranges at NFS 1815.305(a)(3)(A). The maximum points available for each subfactor was multiplied by the assessed percent for each subfactor to derive the score for the particular subfactor.

Proposals found to be in the competitive range as a result of the initial evaluation were ranked by the SEB in the following order for Mission Suitability:

1. Analex
2. ERC

Evaluation of FPRs resulted in increased scores for both offerors, but did not change the relative Mission Suitability Rankings. The substance of the SEB's evaluation of the proposals with regard to Mission Suitability follows:

#### ANALEX

In accordance with the above described evaluation procedure, the SEB gave Analex's proposal the highest overall score and an overall adjective rating of "Very Good". The SEB assessed the Analex proposal to be higher rated in the Mission Suitability Technical Approach and Safety and Health subfactors, and equal to ERC in the Management Approach subfactor. The Analex proposal possessed significant strengths in each of the three subfactors. The significant strength of the Analex Management Approach was the overall combination of professional experience and educational background of the proposed management team. The significant strengths of the Analex Technical Approach were: (1) an exceptional implementation approach to and understanding of oversight requirements, the launch vehicle certification process and the engineering review process; and (2) an exceptional approach to satisfying all mission integration requirements along with a comprehensive understanding of LSP analyses, methodologies, launch vehicle model development, and CDRL reviews in all mission analysis areas. The significant strength of the Analex Safety and Health approach was a comprehensive understanding and thorough knowledge of elements that make up a comprehensive Safety and Health Plan and a technically and managerially sound approach to the implementation process. The Safety and Health Plan also included a VPP (Voluntary Protection Program) manager's implementation guide.

The SEB reported no significant weaknesses on the Analox proposal.

## ERC, INC

The ERC proposal received the second highest overall score and overall adjectival rating of "Good." The SEB assessed ERC to be second in the Technical Approach and Safety and Health subfactors, and equal to Analox in the Management Approach subfactor. The ERC proposal possessed a significant strength in their Management Approach. ERC demonstrated a thorough understanding of Performance Based Contracting (PBC) by proposing objective, measurable, "end results", surveillance and risk avoidance strategies, and automated tools to facilitate PBC.

One significant weakness of the ERC proposal was identified in the Technical Approach subfactor. ERC's staffing plan failed to demonstrate an understanding of the SOW requirements in the Engineering, Safety and Mission Assurance, and Communications and Telemetry areas. The offeror proposed an insufficient number of highly experienced engineers, an incorrect Safety and Mission Assurance personnel allocation with no staffing at Pueblo, an inappropriate skill mix for Communications and Telemetry, and an insufficient staffing level for Engineering Assistants.

## 2. PAST PERFORMANCE

Past performance information provided by the offerors was evaluated to determine the offeror's ability to perform the contract successfully. The currency and relevance of past performance information, source of the information, context of the data, and general trends in offeror's performance were considered in the evaluation. The Government considered information provided by the offerors, by offeror-identified references in the form of questionnaires, and information provided by other sources. The evaluation of Past Performance was conducted in accordance with the FAR 15.305 (a) (2) and NFS 1815.305 (a)(2). The government evaluated each offeror (including its major subcontractors) and assigned one of the following adjectival ratings: Exceptional, Above Average, Satisfactory, Neutral, Marginal or Unsatisfactory.

The past performance evaluation focused on the following:

- Management/Contract Performance - The SEB considered how well the offeror met completion dates, the level of customer satisfaction, and the timeliness and quality of deliverables. This included any unique schedule requirements, interim deliverables or milestones such as periodic technical and business reports, and completion of valid customer direction such as task and mission assignments.
- Technical Performance - The SEB considered the offeror's compliance with technical requirements and performance standards for previous and present work.

Consideration was also given to the quality of service or support and the extent to which contract objectives (safety, management, technical, occupational health, security, and overall mission success) were achieved on relevant efforts by the offeror. Particular attention was given to Launch/Space Vehicle Engineering Assessment (Safety & Mission Assurance/Vehicle Engineering), Flight Mission Analysis (Independent Verification & Validation/Mission Support), and Facility Management and Operation (Processing/Telemetry) efforts.

In its evaluation of Past Performance, the SEB found both Analex and ERC to be "Above Average". As described above, these ratings were based on the composite rating of each prime and its major subcontractors. The SEB's assessment indicated that both offerors have demonstrated performance on recent, relevant contracts which, by itself, provides great confidence that either party could meet or exceed the ELVIS requirements with little or no government oversight or intervention required to achieve the proposed level of performance.

### 3. PRICE/COST

In order to evaluate the Price/Cost Factor, the SEB had to consider both the Fixed Price and Cost-Reimbursable contract line items. The price/cost evaluation factor was used to assess what each offeror's proposal will cost the Government should it be selected for award. The offeror's price/cost proposal was evaluated to determine whether the proposed amounts are realistic for the work to be performed, whether they reflect an understanding of the requirements, and whether they are consistent with the various elements of the Mission Suitability proposal. For the Cost Reimbursable portions of the contract, the SEB evaluated the validity, reasonableness, adequacy and realism of the proposed costs, and made its assessment of the probable cost that would be incurred in actual performance. The evaluation included adjustments to reflect corrections due to omissions, weaknesses and other considerations. For the Fixed Price portions of the contract, a price analysis was conducted in accordance with FAR Subpart 15.4 to ensure the Government pays a fair and reasonable price. Proposals were evaluated to determine if the prices are unbalanced, as defined in FAR Subpart 15.404-1 (g), and included in the risk assessment.

The SEB found at least two responsible offerors, competing independently, submitted prices for the basic period and two, three-year option periods that satisfied NASA's requirements. As such, the SEB concluded that the offered prices were based on adequate price competition. The SEB performed price analysis to evaluate the reasonableness of the fixed-prices offered. This price analysis confirmed the results of the competition, that both offerors proposed fair and reasonable prices for the services they were offering.

In order to evaluate the Cost Reimbursement contract line items, the SEB calculated the most probable cost for each proposal, based on the offeror's proposed approach to accomplishing the contract. The intent of this calculation was to most accurately estimate the cost of the performance based on the offeror's proposed approach. The SEB determined

its level of confidence in the most probable cost assessments. The presentation of the SEB's evaluation findings included both the offeror's proposed cost, most probable cost calculated by the SEB and the confidence rating described above.

In the initial proposals, ERC's proposed cost was slightly lower than Analex's proposed cost. In their respective FPRs, however, Analex decreased its proposed cost significantly while ERC slightly increased its proposed cost, making the Analex proposal modestly lower in proposed cost. The SEB made minor adjustments to the Analex cost proposal to correct weaknesses in the Mission Suitability staffing levels and to correct understated proposed travel costs, slightly increasing the probable cost to the government. In addition, the SEB made adjustments to the ERC cost proposal to correct a clerical error, weaknesses in the Mission Suitability staffing levels, and understated proposed travel costs, slightly increasing the probable cost to the government. After the probable cost adjustments, the Analex proposal remained somewhat lower in probable cost than the ERC proposal. The SEB expressed a high level of confidence in its probable cost assessments for both offerors.

### **SELECTION DECISION**

After meeting with the SEB and other senior management officials present, and after thoroughly reviewing and discussing the SEB's findings, I conclude that the proposal submitted by Analex offers the best value to the government.

To reach this conclusion, I first noted that the Analex proposal was ranked highest in Mission Suitability with an overall score in the "Very Good" range. The proposal from ERC was ranked second in Mission Suitability with an overall score in the "Good" range. In order to better understand the basis of the different scores, I examined the scores given for each of the three subfactors. Both proposals received a score of "Very Good" for the Management Approach subfactor. For the Safety and Health subfactor, Analex received a "Very Good" rating while ERC received a "Good" rating. For the Technical Approach subfactor, which is the most heavily weighted, the Analex proposal was ranked "Very Good", and the ERC proposal was ranked "Good".

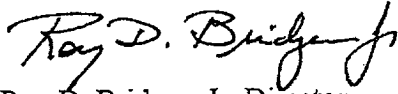
Next, I considered the Price/Cost proposed by both companies, and analyzed the SEB's probable cost assessments for each proposal. I noted that the SEB's adjustments had increased the costs proposed by both offerors by a slight amount and that the SEB had a high confidence rating in the probable cost of both offerors. After these adjustments, the Analex proposal had a somewhat lower probable cost.

In considering Past Performance, I noted that both offerors were rated "Above Average"

The foregoing analysis resulted in my conclusion that the primary discriminators were the Mission Suitability evaluation and Price/Cost. I concluded that Analex presented a superior proposal in Mission Suitability, in addition to having the lowest probable cost.

Analex's superior Mission Suitability proposal and identified significant strengths, as reflected by its significantly higher Mission Suitability score, along with the fact that Analox's probable cost was somewhat lower than that of ERC, clearly supports my conclusion that the Analox proposal offers the best value to the government.

Based on the above, I selected Analox Corporation for award of the ELVIS contract.



Roy D. Bridges, Jr, Director  
Kennedy Space Center  
Source Selection Authority

Date 5-22-02